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ENVIRONMENTAL COMPLIANCE AND ENFORCEMENT

EPA's Efforts to Improve and Make More Consistent Its Compliance and Enforcement Activities

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Highlights of GAO-06-840T, testimony before the Committee on Environment and Public Works, U.S. Senate

Why GAO Did This Study

The Environmental Protection Agency (EPA) enforces the nation's environmental laws and regulations through its Office of Enforcement and Compliance Assurance (OECA). While OECA provides overall direction on enforcement policies and occasionally takes direct enforcement action, many enforcement responsibilities are carried out by EPA's 10 regional offices. In addition, these offices oversee the enforcement programs of state agencies that have been delegated the authority to enforce federal environmental protection regulations.

This testimony is based on GAO's reports on EPA's enforcement activities issued over the past several years and on observations from ongoing work that is being performed at the request of this Committee and the Subcommittee on Interior, Environment and Related Agencies, House Committee on Appropriations. GAO's previous reports examined the (1) consistency among EPA regions in carrying out enforcement activities, (2) factors that contribute to any inconsistency, and (3) EPA's actions to address these factors. Our current work examines how EPA, in consultation with regions and states, sets priorities for compliance and enforcement and how the agency and states determine respective compliance and enforcement roles and responsibilities and allocate resources for these purposes.

www.gao.gov/cgi-bin/getrpt?GAO-06-840T.

To view the full product, including the scope and methodology, click on the link above. For more information, contact John B. Stephenson at (202) 512-3841 or stephensonj@gao.gov.

ENVIRONMENTAL COMPLIANCE AND ENFORCEMENT

EPA's Efforts to Improve and Make More Consistent Its Compliance and Enforcement Activities

What GAO Found

EPA regions vary substantially in the actions they take to enforce environmental requirements, according to GAO's analysis of key management indicators that EPA headquarters use to monitor regional performance. These indicators include the number of inspections performed at regulated facilities and the amount of penalties assessed for noncompliance with environmental regulations. In addition, the regions differ substantially in their overall strategies to oversee states within their jurisdictions. For example, contrary to EPA policy, some regions did not require states to report all significant violators, while other regions adhered to EPA's policy in this regard.

GAO identified several factors that contribute to regional variations in enforcement. These factors include (1) differences in philosophy among regional enforcement staff about how best to secure compliance with environmental requirements; (2) incomplete and unreliable enforcement data that impede EPA's ability to accurately determine the extent to which variations occur; and (3) an antiquated workforce planning and allocation system that is not adequate for deploying staff in a manner to ensure consistency and effectiveness in enforcing environmental requirements.

EPA recognizes that while some variation in environmental enforcement is necessary to reflect local conditions, core enforcement requirements must be consistently implemented to ensure fairness and equitable treatment. Consequently, similar violations should be met with similar enforcement responses regardless of geographic location. In response to GAO findings and recommendations, EPA has initiated or planned several long-term actions that are intended to achieve greater consistency in state and regional and enforcement actions. These include (1) a new State Review Framework process for measuring states' performance of core enforcement activities, (2) a number of initiatives to improve the agency's compliance and enforcement data, and (3) enhancements to the agency's workforce planning and analysis system to improve the agency's ability to match its staff and technical capabilities with the needs of individual regions. However, these actions have yet to achieve significant results and will likely require a number of years and a steady top-level commitment of staff and financial resources to substantially improve EPA's ability to target enforcement actions in a consistent and equitable manner.

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Mr. Chairman and Members of the Committee:

I am pleased to be here today to discuss our work on the Environmental Protection Agency's (EPA) difficulties in ensuring consistent and equitable enforcement actions among its regions and among the states. Our testimony today is based on reports we have issued on EPA's compliance and enforcement activities over the past several years,¹ and provides some observations from the ongoing work that we are performing at your request and that of the Subcommittee on Interior, Environment and Related Agencies, House Committee on Appropriations. As you know, we are assessing how EPA, in consultation with regions and state agencies, sets priorities for compliance and enforcement and how the agency and the states determine respective compliance and enforcement roles and responsibilities and allocate resources for these purposes. As part of this effort, we are assessing EPA's initiated and planned actions to address key factors that result in inconsistencies—identified in our previous work—in carrying out its enforcement responsibilities. We expect to complete this ongoing review on EPA and state enforcement and issue our report in March 2007.

EPA seeks to achieve cleaner air, purer water, and better protected land in many different ways. Compliance with the nation's environmental laws is the goal, and enforcement is a vital part of the effort to encourage state and local governments, companies, and others who are regulated to meet their environmental obligations. Enforcement deters those who might otherwise seek to profit from violating the law, and levels the playing field for environmentally compliant companies.

EPA administers its environmental enforcement responsibilities through its Office of Enforcement and Compliance Assurance (OECA). While OECA provides overall direction on enforcement policies, and occasionally takes direct enforcement action, many of its enforcement responsibilities are carried out by its 10 regional offices

¹ See GAO, *Environmental Protection: More Consistency Needed Among EPA Regions in Approach to Enforcement*, GAO/RCED-00-108 (Washington, D.C.: June 2, 2000); *Human Capital: Implementing an Effective Workforce Strategy Would Help EPA to Achieve Its Strategic Goals*, GAO-01-812 (Washington, D.C.: July 31, 2001); and *Clean Water Act: Improved Resource Planning Would Help EPA Better Respond to Changing Needs and Fiscal Constraints*, GAO-05-721 (Washington, D.C.: July 22, 2005).

(regions). These regions, in addition to taking direct enforcement action, oversee the enforcement programs of state agencies that have been delegated authority for enforcing federal environmental protection requirements.²

In my testimony today, I will describe the (1) extent to which variations exist among EPA's regions in enforcing environmental requirements, (2) key factors that contribute to any such variations, and (3) status of the agency's efforts to address these factors.

In summary, as we previously reported on regional efforts to enforce provisions of the Clean Water Act and the Clean Air Act, the regions vary substantially in the actions they take to enforce environmental requirements. These variations show up in key management indicators that EPA headquarters officials have used to monitor regional performance, such as the number of inspections performed at regulated facilities and the amount of penalties assessed for noncompliance with environmental regulations. For example, in fiscal year 2000, the number of inspections conducted under the Clean Air Act compared with the number of facilities in each region subject to EPA's inspection under the act varied from a high of 80 percent in Region 3 to a low of 27 percent in Regions 1 and 2.

We also reported that it is important to understand the reasons for some of these variations, such as a regional determination to conduct more in-depth inspections at a fewer number of facilities instead of conducting less intensive examinations at many more facilities. Accordingly, we recommended that EPA clarify which enforcement actions it expects to see consistently implemented across the regions and direct the regions to supplement its reporting with information that helps explain why variation occurred. We did not focus our work on the effects of inconsistent enforcement on various types of businesses, including small businesses, the particular focus of the Committee's hearing today. However, in performing our work we noted that a recent

² For many federal environmental programs, EPA either authorizes states to administer the federal program or retains authority to administer the program for the state. The state programs that have been approved by EPA are described as "delegated" in this testimony for clarity and consistency with EPA program terminology.

study for the Small Business Administration,³ as well as other studies, have suggested that environmental requirements fall most heavily on small businesses. To the extent that this is the case, small businesses could be especially disadvantaged by any inconsistencies and inequities in EPA's enforcement approach. EPA has made progress toward resolving challenges in its enforcement activities that we have previously identified. Nonetheless, each of the challenges is complex and will require much more work and continued vigilance to overcome.

Our work has identified several factors contributing to regional variations: (1) differences in the philosophy of enforcement staff about how to best achieve compliance with environmental requirements; (2) incomplete and inadequate enforcement data, which hamper EPA's ability to accurately determine the extent of variations; and (3) an antiquated workforce planning and allocation system that is not adequate for deploying staff to ensure greater consistency and effectiveness in enforcing environmental requirements.

Finally, EPA recognizes that to ensure fair and equitable treatment, core enforcement requirements must be consistently implemented so that similar violations are met with similar enforcement responses, regardless of geographic location. Accordingly, and in response to our findings and recommendations, the agency has initiated or planned actions that are intended to achieve greater consistency in regional and state enforcement activities. These actions include the following:

- *Developing the State Review Framework.* This framework involves a new process for conducting reviews and measuring the performance of core enforcement programs in states with delegated authority (as well as nondelegated programs implemented by EPA regions). Although the process is a promising means for ensuring more consistent enforcement actions, it is too early to assess whether the process will result in more consistent enforcement actions and a level playing field for the regulated community across the nation.

³ W. Mark Crain, *The Impact of Regulatory Costs on Small Firms*, a report prepared at the request of the Small Business Administration's Office of Advocacy (Washington, D.C., September 2005).

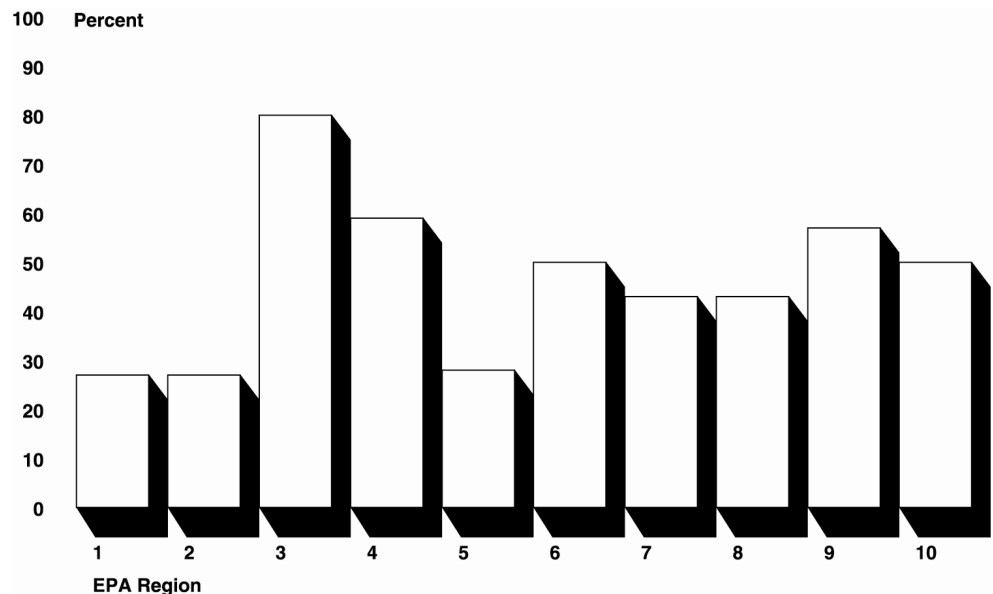
- *Improving management information.* EPA has a number of ongoing activities to improve the agency's enforcement data, but the data problems are long-standing and complex. It will likely require a number of years and a steady top-level commitment of staff and financial resources to substantially improve the data so that they can be effectively used to target enforcement actions in a consistent and equitable manner.
- *Enhancing workforce planning and analysis.* For the past several years, EPA has taken measures to improve its ability to match its staff and technical capabilities with the needs of individual regions and states. For example, EPA developed a human capital strategy and performed a study of its workforce competencies. Nonetheless, the agency still needs to determine how to deploy its employees among its strategic goals and geographic locations so that it can most effectively use its resources, including its compliance and enforcement resources.

Regional Enforcement Activities Vary Substantially

EPA's enforcement program depends heavily upon inspections by regional or state enforcement staff as the primary means of detecting violations and evaluating overall facility compliance. Thus, the quality and the content of the agency's and states' inspections, and the number of inspections undertaken to ensure adequate coverage, are important indicators of the enforcement program's effectiveness. However, as we reported in 2000, EPA's regional offices varied substantially on the actions they take to enforce the Clean Water Act and Clean Air Act. Consistent with earlier observations of EPA's Office of Inspector General and internal agency studies, we found these variations in regional actions reflected in the (1) number of inspections EPA and state enforcement personnel conducted at facilities discharging pollutants within a region, (2) number and type of enforcement actions taken, and (3) the size of the penalties assessed and the criteria used in determining the penalties assessed. For example, as figure 1 indicates, the number of inspections conducted under the Clean Air Act in fiscal year 2000 compared with the number of facilities in each region subject to EPA's inspection under

the act varied from a high of 80 percent in Region 3 to a low of 27 percent in Regions 1 and 2.

Figure 1: Percentage of Total Regulated Facilities Inspected Under the Clean Air Act During Fiscal Year 2000, by EPA Region



Source: GAO's analysis of EPA data.

While the variations in enforcement raise questions about the need for greater consistency, it is also important to get behind the data to understand the cause of the variations and the extent to which they reflect a problem. For example, EPA attributed the low number of inspections by its Region 5, in Chicago, to the regional office's decision at the time to focus limited resources on performing detailed and resource-intensive investigations of the region's numerous electric power plants, rather than conducting a greater number of less intensive inspections.

We agree that regional data can be easily misinterpreted without the contextual information needed to clarify whether variation in a given instance is inappropriate or whether it reflects the appropriate exercise of flexibility by regions and states to tailor their priorities to their individual needs and circumstances. In this regard, we recommended that it would be appropriate for EPA to (1) clarify which aspects of the enforcement program it expects to see implemented consistently from region to region and which aspects may appropriately be subject to greater variation and (2) supplement

region-by-region data with contextual information that helps to explain why variations occur and thereby clarify the extent to which variations are problematic.

Our findings were also consistent with the findings of EPA's Inspector General and OECA that regions vary in the way they oversee state-delegated programs. In this regard, contrary to EPA policy, some regions did not (1) conduct an adequate number of oversight inspections of state programs, (2) sufficiently encourage states to consider economic benefit in calculating penalties, (3) take more direct federal actions where states were slow to act, and (4) require states to report all significant violators. Regional and state officials generally indicated that it was difficult for them to ascertain the extent of variation in regional enforcement activities, given their focus on activities within their own geographic environment. However, EPA headquarters officials responsible for the air and water programs noted that such variation is fairly commonplace and does pose problems. The director of OECA's water enforcement division, for example, told us that, in reacting to similar violations, enforcement responses in certain regions are stronger than they are in others and that such inconsistencies have increased.

Similarly, the director of OECA's air enforcement division said that, given the considerable autonomy of the regional offices, it is not surprising that variations exist in how they approach enforcement and state oversight. In this regard, the director noted, disparities exist among regions in the number and quality of inspections conducted and in the number of permits written in relation to the number of sources requiring permits.

In response to these findings, a number of regions have begun to develop and implement state audit protocols, believing that having such protocols could help them review the state programs within their jurisdiction with greater consistency. Here, too, regional approaches differ. For example:

- Region 1, in Boston, has adopted a comprehensive "multimedia" approach in which it simultaneously audits all of a state's delegated environmental programs.
- Region 3, in Philadelphia, favors a more targeted approach in which air, water, and waste programs are audited individually.

- In Region 5, in Chicago, the office's air enforcement branch chief said that he did not view an audit protocol as particularly useful, noting that he prefers regional staff to engage in joint inspections with states to assess the states' performance in the field and to take direct federal action when a state action is inadequate.

We recognize the potential of these protocols to achieve greater consistency by a region in its oversight of its states, and the need to tailor such protocols to meet regional concerns. However, we also believe that EPA guidance on key elements that should be common to all protocols would help engender a higher level of consistency among all 10 regions in how they oversee states.

Several Factors Contribute to Variations in Regional Enforcement Programs

While EPA's data show variations in key measures associated with the agency's enforcement program, they do little to explain the causes of the variations. Without information on causes, it is difficult to determine the extent to which variations represent a problem, are preventable, or reflect appropriate regional and state flexibility in applying national program goals to unique circumstances. Our work identified the following causes: (1) differences in philosophical approaches to enforcement, (2) incomplete and inaccurate national enforcement data, and (3) an antiquated workforce planning and allocation system.

Regions Differ in Their Philosophical Approaches to Enforcement

While OECA has issued policies, memorandums, and other documents to guide regions in their approach to enforcement, the considerable autonomy built into EPA's decentralized, multilevel organizational structure allows regional offices considerable latitude in adapting headquarters' direction in a way they believe best suits their jurisdiction. The variations we identified often reflect different enforcement approaches in determining whether the region should (1) rely predominantly on fines and other traditional enforcement methods to deter noncompliance and to bring violators into compliance or (2) place greater reliance on alternative strategies, such as compliance

assistance (workshops, site visits, and other activities to identify and resolve potential compliance problems). Regions have also differed on whether deterrence could be achieved best through a small number of high-profile, resource-intensive cases or a larger number of smaller cases that establish a more widespread, albeit lower profile, enforcement presence. Further complicating matters are the wide differences among states in their enforcement approaches and the various ways in which regions respond to these differences. Some regions step more readily into cases when they consider a state's action to be inadequate, while other regions are more concerned about infringing on the discretion of states that have been delegated enforcement responsibilities. While all of these approaches may be permissible, EPA has experienced problems in identifying and communicating the extent to which variation either represents a problem or the appropriate exercise of flexibility by regions and states to apply national program goals to their unique circumstances.

National Enforcement Data Are Incomplete and Inaccurate

OECA needs accurate and complete enforcement data to determine whether regions and states are consistently implementing core program requirements and, if not, whether significant variations in meeting these requirements should be corrected. The region or the state responsible for carrying out the enforcement program is responsible for entering data into EPA's national databases. However, both the quality of and quality controls over these data were criticized by state and regional staff we interviewed.

Internal OECA studies have also acknowledged the seriousness of the data problem. An OECA work group, the "Targeting Program Review Team," stated that key functions related to data quality, such as the consistent entry of information by regions and states, were not working properly and that there were important information gaps in EPA's enforcement-related databases. Another OECA work group concluded in 2006, "OECA managers do not have available to them timely, complete, and detailed analyses of regional or national performance." A third OECA work group asserted that the situation has deteriorated from past years, noting:

“managers in the regions and in OECA headquarters have become increasingly frustrated that they are not receiving from [the Office of Compliance] the reports and data analyses they need to manage their programs...[and there] has been less attention to the data in the national systems, a commensurate decline in data quality, and insufficient use of data by enforcement/compliance managers.”

Consistent with our findings and recommendations, EPA’s Office of Inspector General recently reported that, “OECA's 2005 publicly-reported GPRA [Government Performance and Results Act] performance measures do not effectively characterize changes in compliance or other outcomes because OECA lacks reliable compliance rates and other reliable outcome data. In the absence of compliance rates, OECA reports proxies for compliance to the public and does not know if compliance is actually going up or down. As a result, OECA does not have all the data it needs to make management and program decisions. What is missing most, the biggest gap, is information about compliance rates. OECA cannot demonstrate the reliability of other measures because it has not verified that estimated, predicted, or facility self-reported outcomes actually took place. Some measures do not clearly link to OECA's strategic goals. Finally, OECA frequently changed its performance measures from year to year, which reduced transparency.” For example, between fiscal years 1999-2005, OECA reported on a low of 23 performance measures to a high of 69 measures, depending on the fiscal year.

Although EPA is working to improve its data, the problems are extensive and complex. For example, the Inspector General recently reported that OECA cannot generate programmatic compliance information for five of six program areas; lacks knowledge of the number, location, and levels of compliance for a significant portion of its regulated universe; and concentrates most of its regulatory activities on large entities and knows little about the identities or cumulative impact of small entities. Consequently, the Inspector General reported, OECA currently cannot develop programmatic compliance information, adequately report on the size of the universe for which it maintains

responsibility, or rely on the regulated universe data to assess the effectiveness of enforcement strategies.⁴

EPA's Workforce Planning and Analysis System Is Not Adequate for Effectively Deploying Staff to Regions

As we reported, EPA's process for budgeting and allocating resources does not fully consider the agency's current workload, either for specific statutory requirements, such as those included in the Clean Water Act, or for broader goals and objectives in the agency's strategic plan. Instead, in preparing its requests for funding and staffing, EPA makes incremental adjustments, largely based on historical precedents, and thus its process does not reflect a bottom-up review of the nature or distribution of the current workload. While EPA has initiated several projects over the past decade to improve its workload and workforce assessment systems, it continues to face major challenges in this area

If EPA is to substantially improve its resource planning, we reported, it must adopt a more rigorous and systematic process for (1) obtaining reliable data on key workload indicators, such as the quality of water in particular areas, which can be used to budget and allocate resources, and (2) designing budget and cost accounting systems that are able to isolate the resources needed and allocated to key enforcement activities.

Without reliable workforce information, EPA cannot ensure consistency in its enforcement activities by hiring the right number or type of staff or allocating existing staff resources to meet current or future needs. In this regard, since 1990, EPA has hired thousands of employees without systematically considering the workforce impact of changes in environmental statutes and regulations, technological advances in affecting the skills and expertise needed to conduct enforcement actions, or the expansion in state environmental staff. EPA has yet to factor these workforce changes into its allocation of existing staff resources to its headquarters and regional offices to meet its strategic

⁴ EPA Office of Inspector General, *Limited Knowledge of the Universe of Regulated Entities Impedes EPA's Ability to Demonstrate Changes in Regulatory Compliance*, Report No. 2005-P-00024, September 19, 2005.

goals. Consequently, should EPA either downsize or increase its enforcement and compliance staff, it would not have the information needed to determine how many employees are appropriate, what technical skills they must have, and how best to allocate employees among strategic goals and geographic locations in order to ensure that reductions or increases could be absorbed with minimal adverse impacts in carrying out the agency's mission.

EPA Has Initiated or Planned Actions to Achieve Greater Consistency in Enforcement Activities

Over the past several years, EPA has initiated or planned several actions to improve its enforcement program. We believe that a few of these actions hold particular promise for addressing inconsistencies in regional enforcement activities. These actions include (1) the creation of a State Review Framework, (2) improvements in the quality of enforcement data, and (3) enhancements to the agency's workforce planning and analysis system.

EPA's State Review Framework Holds Promise, but It Is Too Early to Assess Its Effectiveness

The State Review Framework is a new process for conducting performance reviews of enforcement and compliance activities in the states (as well as for nondelegated programs implemented by EPA regions). These reviews are intended to provide a mechanism by which EPA can ensure a consistent level of environmental and public health protection across the country. OECA is in the second year of a 3-year project to make State Review Framework reviews an integral part of the regional and state oversight and planning process and to integrate any regional or state corrective or follow-up actions into working agreements between headquarters, regions, and states. It is too early to assess whether the process will provide an effective means for ensuring more consistent enforcement actions and oversight of state programs to help ensure a level playing field for the regulated community across the country. Issues that still need to be addressed include how EPA will assess states' implementation of alternative

enforcement and compliance strategies, such as strategies to assist businesses in their efforts to comply with environmental regulations; encourage businesses to take steps to reduce pollution; offer incentives (e.g., public recognition) for businesses that demonstrate good records of compliance; and encourage businesses to participate in programs to audit their environmental performance and make the results of these audits and corrective actions available to EPA, other environmental regulators, and the public.

Efforts Are Underway to Improve Data, but Critical Gaps Remain

Regardless of other improvements EPA makes to the enforcement program, it needs to have sufficient environmental data to measure changes in environmental conditions, assess the effectiveness of the program, and make decisions about resource allocations. Through its Environmental Indicators Initiative and other efforts, EPA has made some progress in addressing critical data gaps in the agency's environmental information. However, the agency still has a long way to go in obtaining the data it needs to manage for environmental results and needs to work with its state and other partners to build on its efforts to fill critical gaps in environmental data. Filling such gaps in EPA's knowledge of environmental conditions and trends should, in turn, translate into better approaches in allocating funds to achieve desired environmental results. Such knowledge will be useful in making future decisions related to strategic planning, resource allocations, and program management.

Nevertheless, most of the performance measures that EPA and the states are still using focus on outputs rather than on results, such as the number of environmental pollution permits issued, the number of environmental standards established, and the number of facilities inspected. These types of measures can provide important information for EPA and state managers to use in managing their programs, but they do not reflect the actual environmental outcomes that EPA must know in order to ensure that resources are being allocated in the most cost-effective ways to improve environmental conditions and public health.

EPA also has worked with the states and regional offices to improve enforcement data in its Permit Compliance System and believes that its efforts have improved data quality. EPA officials said that the system will be incorporated into the Integrated Compliance Information System, which is being phased in this year. According to information EPA provided, the modernization effort will identify the data elements to be entered and maintained by the states and regions and will include additional data entry for minor facilities and special regulatory program areas, such as concentrated animal feeding operations, combined sewer overflows, and storm water. Regarding the National Water Quality Inventory, the Office of Water recently began advocating the use of standardized, probability-based, statistical surveys of state waters so that water quality information would be comparable among states and from year to year.

While these efforts are steps in the right direction, progress in this area has been slow and the benefits of initiatives currently in the discussion or planning stages are likely to be years away from realization. For example, initiatives to improve EPA's ability to manage for environmental results are essentially long-term. They will require a long-term commitment of management attention, follow-through, and support—including the dedication of appropriate and sufficient resources—for their potential to be fully realized. A number of similar initiatives in the past have been short-lived and unproductive in terms of lasting contributions to improved performance management. The ultimate payoff will depend on how fully EPA's organization and management support these initiatives and the extent to which identified needs are addressed in a determined, systematic, and sustained fashion over the next several years.

EPA Has Improved the Management of its Human Capital System, but Challenges Remain in Allocating Staff to Match Enforcement Requirements in its Regions

Since the late 1990s, EPA has made progress in improving the management of its human capital. EPA's human capital strategic plan was designed to ensure a systematic process for identifying the agency's human capital requirements to meet strategic goals. Furthermore, EPA's strategic planning includes a cross-goal strategy to link strategic planning efforts to the agency's human capital strategy. Despite such progress, effectively implementing a human capital strategic plan remains a major challenge.

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Consequently, the agency needs to continue monitoring progress in developing a system that will ensure a well-trained and motivated workforce with the right mix of skills and experience. In this regard, the agency still has not taken the actions that we recommended in July 2001 to comprehensively assess its workforce—how many employees it needs to accomplish its mission, what and where technical skills are required, and how best to allocate employees among EPA's strategic goals and geographic locations. Furthermore, as previously mentioned, EPA's process for budgeting and allocating resources does not fully consider the agency's current workload. With prior years' allocations as the baseline, year-to-year changes are marginal and occur in response to (1) direction from the Office of Management and Budget and the Congress, (2) spending caps imposed by EPA's Office of the Chief Financial Officer, and (3) priorities negotiated by senior agency managers.

EPA's program offices and regions have some flexibility in realigning resources based on their actual workload, but the overall impact of these changes is also minor, according to agency officials. Changes at the margin may not be sufficient because both the nature and distribution of the workload have changed as the scope of activities regulated has increased and as EPA has taken on new responsibilities while shifting others to the states. For example, controls over pollution from storm water and animal waste at concentrated feeding operations have increased the number of regulated entities by hundreds of thousands and required more resources in some regions of the country. However, EPA may be unable to respond effectively to changing needs and constrained resources because it does not have a system in place to conduct periodic "bottom-up" assessments of the work that needs to be done, the distribution of the workload, or the staff and other resource needs.

Mr. Chairman, to its credit, EPA has initiated a number of actions to improve its enforcement activities and has invested considerable time and resources to make these activities more effective and efficient. While we applaud EPA's actions, they have thus far achieved only limited success and illustrate both the importance and the difficulty of

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addressing the long-standing problems in ensuring the consistent application of enforcement requirements, fines and penalties for violations of requirements, and the oversight of state environmental programs. To finish the job, EPA must remain committed to continuing the steps that it has already taken. In this regard, given the difficulties of the improvements that EPA is attempting to make and the time likely to be required to achieve them, it is important that the agency remain vigilant. It needs to guard against any erosion of its efforts by factors that have hampered past efforts to improve its operations, such as changes in top management and priorities and constraints on available resources.

Mr. Chairman, this concludes my prepared statement. I would be happy to respond to any questions that you or Members of the Committee may have.

Contact and Staff Acknowledgments

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